



City of Saint Paul

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October 1, 2004

Council President Kathy Lantry, and
City Councilmembers
3rd Floor City Hall
15 West Kellogg Boulevard
St. Paul, MN 55102

Subject: Material for the October 6th Budget Meeting

Dear Council President Lantry and City Councilmembers:

The attached material has been prepared for your use as background, and will be used by presenters at next Wednesday's meeting. Please bring this packet of advance material with you to the meeting.

We have been working on the information related to the discussion items listed on the City Council's 2004 Meeting Notice and Agenda for October 6, 2004, as distributed on Friday, October 1st, 2004. The material that we could have ready by today is included in this document. Additional material is still being prepared and will be assembled and shared with the City Council early next week. The discussion items and materials included in this document are noted below:

- I) Review and Approve Agenda for October 6th and tentative agendas for October 13th and 20th.
(Council President Kathy Lantry)
- II) Identification and Explanation of the "City Council 2005 Budget Issues List" (Bob Kessler, Council Research)
- III) Review ROW Maintenance Fund Assessment Rates for all Classes of Properties for 2004 and Proposed 2005 (Matt Smith and Bob Sandquist, Director of Public Works)

Please refer to page 3, which show the activity performance plan for Activity #42310 from the Mayor's proposed 2005 budget, listing the assessment rates. The Public Works Department is developing recommendations for final 2004 assessment rates based on actual spending to date. The recommendations and supporting documents will be distributed at or before the October 6th Council meeting.

IV) Review Fund Balance and Cash Flow Statement for ROW Maintenance Fund Number 225.

Please refer to page 4, which shows a table of information about fund balance and cash for Fund 225 for adopted 2004, proposed 2005, and planned 2006. Also refer to page 5, which is a graph of 2004 cash levels for each month.

V) Review Sewer Service Fund (Fund Number 260) Rates for 2004 and Proposed 2005.

Please refer to pages 6 and 7, which are activity performance plans for two activities (#22207 and #22212) in the Sewer Fund (Fund 260). The performance plan for Activity #22207 lists the sanitary sewer rates, and the performance plan for Activity #22212 lists the storm sewer system charges. Also refer to page 8, which is a graph of 2004 Sewer fund cash by month.

If you have questions on these subjects, please contact me. Please stand by for additional information early next week. I appreciate your patience and look forward to seeing you Wednesday.

Cordially,



Matt Smith
Director

cc: Dennis Flaherty
Budget Analysts
Department Directors
Trudy Moloney

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ACTIVITY PERFORMANCE PLAN

ACTIVITY	ACTIVITY NUMBER	DEPARTMENT	DIVISION OR FUND			FISCAL YEAR
ADMINISTRATION	42310	PUBLIC WORKS	STREET REPAIR & CLEANING			2005
Ongoing and 2005 Objectives		Performance Indicators	2002 Actual	2003 Actual	2004 Estimated	2005 Estimated/Promised
1. To manage the street repair and cleaning fund including the preparation and monitoring of the budget.		Total Employees in Div.	154.7	159.7	159.2	*142.6
2. To provide the necessary support functions and data to allow the Streets Division to perform its functions.		FTE's funded in 42310	3.5	3.5	3.5	3.9
3. To maintain designated fund balance equal to six snow emergencies for extraordinary winter maintenance.		<u>ASSESSMENT RATES FOR</u> <u>ADOPTED BUDGET</u>				
4. Rates for the Street Maintenance Assessment Program remained flat from 1994 thru 2002.		Class I-A Downtown Streets	\$3.53	\$5.73	\$7.95	\$10.55
5. In 2000, street assessment classification has been added for the new brick streets that were installed downtown as part of the Kellogg Boulevard Streetscape City Project.		Class I-B Downtown Streets (Brick)	\$5.53	\$7.73	\$9.95	\$12.55
6. In 2003, the new Right-of-Way Maintenance Program was approved by the City Council. This right-of-way assessment will include the old summer street maintenance assessment in addition to an assessment for winter maintenance, boulevard tree maintenance and trimming, and sidewalk maintenance. We began collecting these monies in May 2004.		Class II Outly. & Art.-Com.	\$2.43	\$3.38	\$4.35	\$5.75
7. In 2005, the Right-of-Way Maintenance Program will also include an assessment for streetlight maintenance.		Residential	\$1.10	\$1.57	\$1.87	\$2.38
		Class III Residential-Com.	\$1.76	\$2.52	\$3.30	\$4.32
		Residential	\$1.10	\$1.57	\$1.87	\$2.25
		Class IV Improv. Alley-Com.	\$0.86	\$0.76	\$0.78	\$0.78
		Residential	\$0.57	\$0.50	\$0.50	\$0.50
		Class V Unimpr. Sts.-Com.	\$0.66	\$1.29	\$1.92	\$2.30
		Residential	\$0.44	\$0.79	\$1.14	\$1.31
		Class VI Unimpr. Alley-Com.	\$0.34	\$0.34	\$0.35	\$0.35
		Residential	\$0.23	\$0.23	\$0.23	\$0.23
		% of long side Res. Ft. Assess.	0	0	0	0
		Street openings (Restoration)	550	550	550	550
		Transfers to PED	0	0	0	0
Significant Changes (Spending & Staffing)						
* Total FTE's in Division reduced by 16.6 due to reassignments in the Right-of-Way Division as follows: 2 FTE's to Neighborhood Housing & Property Information; 4.3 FTE's to Technical Services Division (12115); remaining 10.3 FTE's went to Traffic Operations (12015) (one of these FTE's will be split with .4 FTE to Street Maintenance (42310)).						
Comments						
Mayor's Contingency - \$250,000 (Downtown Snow Removal); Operating transfers out to Administration & Support Services Fund - \$1,299,574 (Computer Services/Administration/Accounting/Director's Office/Safety/Technical Services); Operating transfer out to Special Revenue Fund for tree trimming - \$1,863,450; Operating transfer out to Internal Service Fund for sidewalks- \$211,150; and Operating transfer out to Internal Service Fund for Traffic Maintenance - \$400,000; Operating transfer out to Internal Service Fund for Streetlight Mtce. Assmt - \$3,361,698						

City of Saint Paul
Department of Public Works
Right-Of-Way Maintenance Fund

Fund Balance	Cash
26,573,030	16,414,115

Actual Fund Balance 12/31/2003

Right-Of-Way Maintenance Fund 225

Adopted 2004 Budget

	Spending	Assessments	Aids/Fees	General Fund	Jse of Fund Balance
Mntce Program	17,258,011	12,098,037	2,781,121		1,934,430
Forestry	1,845,000	1,845,000			
Sidewalks	205,000	205,000			
Bridge	1,387,429		1,352,083	35,346	
Right-of-Way	2,016,991		1,572,568		444,423
Total	22,712,431	14,148,037	5,705,772	35,346	2,378,853

Projected Fund Balance 12/31/2004

24,194,177	14,035,262 *
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Right-Of-Way Maintenance Fund 225

Mayor's Proposed 2005 Budget

	Spending	Assessments	Aids/Fees	General Fund	Jse of Fund Balance
Mntce Program	17,982,093	11,999,752	2,532,378		3,449,963
Forestry	1,937,112	1,937,112			
Lighting	3,361,698	3,361,698			
Sidewalks	211,150	211,150			
Bridge	1,373,939		1,338,985	34,954	
Right-of-Way	0				
Total	24,865,992	17,509,712	3,871,363	34,954	3,449,963

Projected Fund Balance 12/31/2005

20,744,214	10,585,299
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Right-Of-Way Maintenance Fund 225

Department Proposed 2006 Budget

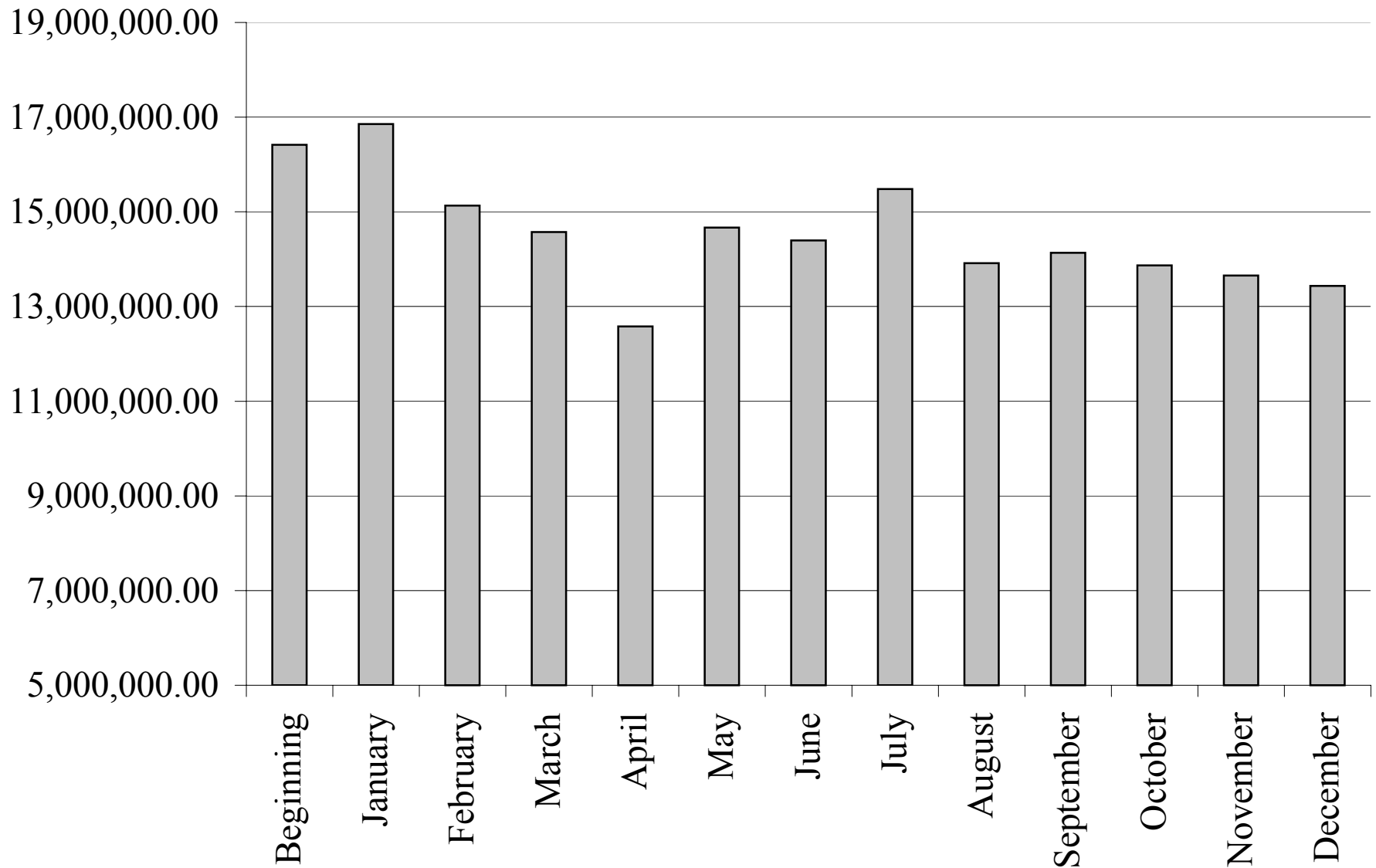
	Spending	Assessments	Aids/Fees	General Fund	Jse of Fund Balance
Mntce Program	18,341,735	12,239,747	2,504,899		3,597,089
Forestry	1,975,854	1,975,854			
Lighting	3,428,932	3,428,932			
Sidewalks	215,373	215,373			
Bridge	1,401,418		1,366,464	34,954	
Right-of-Way	0				
Total	25,363,312	17,859,906	3,871,363	34,954	3,597,089

Projected Fund Balance 12/31/2006

17,147,125	6,988,210 **
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**Inflation for 2006 is estimated to be 2%.

**City of Saint Paul
Department of Public Works
Right-Of-Way Maintenance Fund 225
2004 Cash Trend
As of December 31, 2004**



ACTIVITY PERFORMANCE PLAN

ACTIVITY	ACTIVITY NUMBER	DEPARTMENT	DIVISION OR FUND		FISCAL YEAR
SEWER SYSTEM MANAGEMENT	22207	PUBLIC WORKS	SEWER UTILITY		2005
Ongoing and 2005 Objectives		Performance Indicators		2002 Actual	2003 Actual
The mission of this Activity is to provide for the general administration and management of the Sewer Utility. This is accomplished by the following:			2004 Estimated	2005 Estimated/Promised	
--Develop a business strategy that will lead the Sewer Utility by providing cost and quality competitive services.		Sewer Service Permit Inspections	1070	1069	1140
--Through responsible management of the Sewer Utility Fund, ensure that the Utility's improved bond rating does not fall below the "A" rating maintained since 1997.		Holes and Street Depressions Inspections	120	456	450
--Issue, inspect, and record permits to connect, abandon, or repair any connection to the City's sanitary or storm sewer system.		Utility Permit Reviews	305	226	275
--Maintain sewer system records and provide information to the public.		Building Permit Reviews	125	280	225
--Integrate Sewer System Planning and records management with a more rapid development of a city wide GIS.		Sewer Service Adjustments	1181	1144	1150
--Assist the City Administration and Council in addressing the substantive issues of sewage treatment costs, billing process, rates, infrastructure repairs and mandates. The City Administration and Council will work, as needed, with the Metropolitan Council and the State Legislature regarding these issues.		<u>City Sanitary Sewer Rates</u>			
--Investigate and plan sewer system needs.		(Per 100 cubic feet)			
--Adjust commercial and industrial customers' sanitary sewer bills for clear water or other approved credits.		First 100,000 cu. ft.	\$2.42	\$2.42	\$2.54
2005 Objectives		Next 400,000 cu. ft.	\$2.39	\$2.39	\$2.51
Secure financing for the 2006 Sewer Rehabilitation Program.		All over 500,000 cu. ft.	\$2.33	\$2.33	\$2.45
		Rate increase over previous year	0%	0%	5%
Significant Changes (Spending & Staffing)					
Comments In February, 2003, Standard and Poor's Rating Service upgraded the Sewer Utility's bond rating to AAA.					

ACTIVITY PERFORMANCE PLAN

ACTIVITY	ACTIVITY NUMBER	DEPARTMENT	DIVISION OR FUND		FISCAL YEAR		
STORM SEWER SYSTEM CHARGE	22212	PUBLIC WORKS	SEWER UTILITY		2005		
Ongoing and 2005 Objectives The purpose of the Storm Sewer System Charge is to provide an equitable method to fund storm water related activities. The Storm Sewer System Charge is based on the anticipated peak storm water runoff a parcel contributes to the City's storm sewer system.							
		Performance Indicators	2002 Actual	2003 Actual	2004 Estimated	2005 Estimated/Promised	
		Site plan review:	125	123	125	125	
		Total SSSC Revenue less tax exempts	\$8,310,302	\$8,290,000	\$8,704,500	\$8,965,635	
		General Fund reimbursement for tax exempt properties who do not pay:	\$392,546	\$405,000	\$425,250	\$438,000	
		Transfer to General Fund (Finance):	(\$77,604)	(\$79,930)	(\$82,330)	(\$84,800)	
		Bad Debt Expense:	(\$1,688)	(\$60,000)	(\$63,000)	\$64,900	
		Admin. of Storm Sewer System Charge:	(\$65,307)	(\$156,927)	(\$192,458)	(\$254,137)	
		Net Projected Revenue:	\$8,558,249	\$8,398,143	\$8,791,962	\$9,129,598	
		RATES PER CLASS					
		Class	Land Use				
		A	Parks, Vacant Land, etc.	\$88/acre	\$88/acre	\$92/acre	\$93/acre
		B	Railroad ROW	\$332/acre	\$332/acre	\$349/acre	\$354/acre
		C	1 & 2 Family Homes	\$52/parcel	\$52/parcel	\$55/parcel	\$56/parcel
		D	Condominiums & Townhouses	\$35/unit	\$35/unit	\$37/unit	\$38/unit
		E	Schools	\$481/acre	\$481/acre	\$505/acre	\$513/acre
		F	Mult. Dwellings & Gov't Bldgs	\$642/acre	\$642/acre	\$674/acre	\$684/acre
		G	Commercial & Industrial	\$865/acre	\$865/acre	\$908/acre	\$922/acre
2005 Project Objectives: Recommend SSSC rates for 2006 by June 1, 2005							
Significant Changes (Spending & Staffing)							
Comments							

**City of Saint Paul
Department of Public Works
Sewer Service Fund 260
2004 Operating Cash Trend
As of December 31, 2004**

